UNICE
THE VOICE OF BUSINESS IN EUROPE

REACTION

2 February 2006

UNICE PRELIMINARY REACTION TO THE EUROPEAN COMMISSION'S GREEN PAPER ON A EUROPEAN PROGRAMME FOR CRITICAL INFRASTRUCTURE PROTECTION (EPCIP)

Summary

UNICE supports an EU-wide EPCIP framework which minimises any negative impact that increased security would have on business competitiveness. Considering that key parts of the EU's critical infrastructure are owned and operated by the private sector, it is essential that business is involved and consulted in the development of policies in this field.

EPCIP should be based on common horizontal principles and a sector-by-sector approach. It should define common objectives, methodologies, best practices and interdependencies between sectors, taking into account existing measures at national level.

Moreover, UNICE supports EPCIP to:

- target all hazards including natural disasters as well as terrorism;
- be based on proportionality depending on the level of threat and on stakeholder cooperation developing a genuine public-private security dialogue;
- guarantee confidentiality by all parties;

EU critical infrastructure (ECI) covered should relate to two or more Member States. The importance lies in the mutual interest of dealing with serious cross-border implications. However, national critical infrastructure has to be interrelated with EPCIP to ensure the efficiency of the programme.

Society at large would be protected by EPCIP. This should be taken into account when costs of implementation over and above the normal business management costs are being defined. The potential costs of EPCIP need further discussion as part of a public-private dialogue on EPCIP.

UNICE might complement this preliminary reaction as the debate develops. It looks forward to pursuing cooperation on this issue with the European Commission and all interested parties.

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Introduction

The European Commission's Green Paper on a European Programme for Critical Infrastructure Protection (EPCIP) is a good opportunity to launch a wide debate on possible policy options to improve protection of critical infrastructure by involving the different interested parties. However, UNICE believes it necessary to develop further analysis in assessing the state of protection and vulnerabilities of European critical infrastructure, taking into account the different national and sectoral assessments conducted.

Considering that key parts of the EU's critical infrastructure are owned and operated by the private sector, it is essential that business is involved and consulted in the development of policies in this field. The security and protection of EU critical infrastructure is of major importance for European business, as critical infrastructure provides the basis for economic activity.

Infrastructure, including non-physical infrastructure such as ICT technologies, is highly mutually dependent and security is a pre-requisite for its good functioning. This entails vulnerability for companies as attacks on and collapse of systems can be important to a number of essential functions on which companies depend.

European business is aware of the negative impact disruption can entail and has been responsibly developing protection measures in its own critical infrastructure.

Specific comments on the Green Paper

1. EPCIP to provide protection of critical infrastructure while minimising impact on competitiveness

UNICE supports the Green Paper mention that EPCIP should minimise any negative impact that increased security would have on business competitiveness, and the regular review of EPCIP to adapt it to new arising issues.

EPCIP should assess the impact of possible additional investments and security measures and their purpose, bearing in mind already existing security initiatives.

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2. The programme should target all hazards

An all-hazards approach for EPCIP including natural disasters as well as terrorism seems more appropriate to ensure preparedness. This would make it possible to deal with interdependencies more efficiently. To that end, it is key to increase "bottom-up" coordination between the different administrations involved in critical infrastructure protection throughout the EU. However, it is important to keep a certain degree of flexibility to deal with the specificities of terrorism.

3. Proportionality and stakeholder cooperation are key for EPCIP

UNICE agrees with the proposed key principles in the Green Paper: subsidiarity, complementarity, confidentiality, stakeholder cooperation and proportionality.

Protection should be proportionate to the level of threat, which should be assessed by risk-management techniques. To ensure the cost-effectiveness of EPCIP, the risk of an incident occurring must be the guiding principle. There may be a high threat but significant consequences could be extremely low. In UNICE's views, this should be reflected in the measures proposed, which should be sufficiently flexible to allow a case-by-case approach and tailor-made solutions.

UNICE has repeatedly expressed its support for development of a genuine public-private security dialogue at EU level and is working with the European Commission and other partners towards that aim. Protection of critical infrastructure is a main area for such cooperation, as it requires a consistent cooperative partnership between the owners/operators and the different national and EU authorities with clearly defined responsibilities.

Involvement of CI owners/operators should start at the very beginning of the process of implementing steps, including definition of criteria.

4. Confidentiality must be ensured throughout the process

In UNICE's view, confidentiality is crucial. It must be guaranteed by all parties and best practices should be applied to ensure it throughout the whole process. Increased trust, particularly at the EU level, should lead to two-way information-sharing between the public and the private sectors.

Moreover, any proposal within EPCIP should be extremely cautious, avoiding giving unwanted attention to security-sensitive issues which could lead to unintended consequences.

5. A common framework and a sector-by-sector approach

UNICE supports a common EU-wide EPCIP framework considering the interdependencies and interconnections of infrastructure networks in Europe. Such a framework should be based on common horizontal principles and a sector-by-sector approach. It should define common objectives, methodologies, best practices and

interdependencies between sectors, taking into account existing measures at national level. Before implementation, however, impact assessment should be conducted to allow clear definition and review of the framework if needed.

An adequate and common level of protection throughout the EU must be ensured. Nevertheless, what it is important is to define the responsibilities of the different stakeholders involved. Further cooperation and coordination between the different public services concerned with protection of infrastructure has to be developed. The reference to a compliance monitoring mechanism is not clear and should be specified.

EU critical infrastructure (ECI) should relate to two or more Member States. The importance lies in the mutual interest of dealing with serious cross-border implications. Such impact should be quantified.

Considering the increasing infrastructure linkages with third countries, UNICE believes that international cooperation could be promoted, setting up partnerships with key countries to protect infrastructure across EU borders.

Interdependencies can be taken into account in function of the severity of the impact and should be assessed in cooperation with business. Their identification has to be conducted at national and EU level.

6. Adequate instruments in the implementation of EPCIP

Regarding implementation steps for EPCIP, the list proposed in the Green Paper is fairly complete, but should also ensure regular revision of criticality. CI owners/operators should be involved at the very beginning of the implementation. They should be granted a mechanism of arbitration/appeal.

A committee of experts in different domains, including security, crisis management and business continuity should contribute to analyse the security gaps and to designate critical infrastructures.

The CIWIN (Critical Infrastructure Warning Information Network) should alert CI operators and owners in real time. To become effective, CIWIN should include critical infrastructure owners and operators.

7. Interrelation with CIP at national level

National critical infrastructure should be interrelated with EPCIP to ensure the efficiency of the programme. Each Member State has to establish a national CIP programme, reinforcing synergies with activities at EU level. Effectiveness of measures at national level should be overseen.

8. Responsibility of CI owners/operators: consultation is needed

The proposed responsibilities of CI owners and operators are unclear. Notification of all critical infrastructure could be burdensome for companies. UNICE fully supports the partnerships to be developed with CI owners, operators and users to define responsibilities. With this in view, a debate should be opened with the representative business organisations at horizontal or sectoral level.

Society at large would be protected by EPCIP. This should be taken into account when costs of implementation over and above normal business management costs are being defined. The potential costs of EPCIP need further discussion as part of a public-private dialogue on EPCIP.

The EU and the Member States authorities must avoid any unnecessary complication to the running of business, ensuring proportionality in the implementation of EPCIP to the risks confronted.

Conclusion

UNICE might complement this preliminary reaction as the debate develops. It looks forward to pursuing cooperation on this issue with the European Commission and all interested parties.
